

TURNING THE STRATEGIC PLAN ON ITS HEAD

Checking boxes for the next three to five years. That was my original perception of how a strategic plan is supposed to work. Or better yet, get a group of people together for a day, come up with a book full of stuff to do, present it to the Board of Directors, have everyone clap and nod, then put it on the shelf and don't look at it for three years until it's time to develop the next plan. KDF needed a strategic plan, but it had to be one that we could use. For the past year, we've been working on one, but maybe in a different format than what most are used to seeing.

In November of 2016, I was assigned the task of leading a team of KDF directors and staff in developing a three year strategic plan. I sat down with Darren Hobbs, VP of Finance at Zirmed and a member of our board. His role at Zirmed is focused on developing strategic initiatives. I had a stack of documents next to me that were examples of "check the box" plans from other major companies. Darren told me at that first meeting that we were NOT going to do that. Or if we were, he wasn't going to help us develop that kind of plan. Darren's thinking, which I've come to believe is absolutely correct, is that a company should focus on initiatives that will address key areas of need and build on its structural foundation. That type of thinking was our north star as we began a series of meetings with the Administration Committee beginning in January, 2017.

The committee consisted of approximately 20 people and was a mix of board members and staff. The objective was to meet monthly, except during April when the actual Festival was in production. Our goal was to have a presentation ready for the KDF Board Workshop in late July, with a full presentation of the plan at the November, 2017, KDF Board Meeting. This meant we had a lot of work to do in a relatively short period of time.

The Process:

We started by doing a standard SWOT analysis that helped to fully identify KDF's Strengths, Weaknesses, Opportunities and Threats. Each member was then asked to force rank each of the issues they identified in these categories. Through a process of slowly filtering this feedback, we narrowed down the areas where KDF needed to focus its time and resources over the next three years. Again, we were not creating a check lists of things to do, but rather figuring out where our focus needs to be.

What resulted were three strategic initiatives:

- Orient the organization on collecting data and making data-based decisions
- Broaden the revenue base of the festival by increasing sponsorship and non-sponsorship revenue
- Enhance and expand participation in the volunteer program

Orienting the organization to collecting data and making data based decisions must be at the core of KDF's strategic

process. What we found in evaluating our budgets, ticket sales, attendance numbers, and surveys is that we don't have enough concrete information to make informed decisions. In order to make decisions on events at a macro (leadership) level, we need to do more customer surveys that include demographics and buying information, compile the ticket information we have, gather more reliable attendance estimates, and consider commissioning a market research survey (for a hefty fee). The questions that ultimately need to be answered through this initiative are: 1) What are we "guessing" on? ; and 2) What information do we need to make these decisions, i.e. these are the things we need to see to eliminate/improve/create events?

Broaden the revenue base of the festival includes both sponsorship and non-sponsorship revenues. Are sponsors happy and how can we better accommodate their needs? What can KDF do to produce more non-sponsorship related income through Pegasus Pins, vendors, VIP opportunities, and food & beverage sales?

KDF's volunteer program has over 4,000 people annually who assist with the production of our events. It's a massive operation, but our volunteer forces are aging and slightly diminishing. Understanding and establishing the needs of each committee and the volunteer requirements specific to their operations is the focus of this initiative.

As you see, the three initiatives are broad in scope and that was intentional. The implementation of the plan will rely on the committees within KDF focusing at every meeting on how they are improving these three areas. In a sense, KDF will permeate the culture of the organization by requiring every committee, staff meeting and executive board meeting to address the three initiatives. We are bringing these areas to top of mind with everything we do. The strategic planning committee felt strongly that by building this bedrock foundation of improvement within KDF, moving forward we can focus on some smaller themes. While checking boxes can still be an effective tool for many companies, our goal is to ensure that KDF's new approach allows for flexibility, growth and change. All with the hope that this plan doesn't collect dust on my shelf for the next three years!

Jeff English, CFE is the Sr. Vice President of Administration/General Counsel of the Kentucky Derby Festival. After graduating from Washburn University School of Law (Topeka, KS) in 2004, Jeff worked in politics and practiced law before joining the KDF staff. He is charged with overseeing all of Festival's legal issues and serving as its risk management officer. He also manages the Merchandise Department and the 501(c)3 not-for-profit Kentucky Derby Festival Foundation.